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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 001231

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TAGS: [PGOV](#) [ECON](#) [ELAB](#) [PREL](#) [KDEM](#) [VE](#)

SUBJECT: CARABOBO GOVERNOR CALLS VENEZUELA A DICTATORSHIP

REF: A. CARACAS 1022

[B](#). CARACAS 1038

[C](#). CARACAS 1181

Classified By: Political Counselor Robin Meyer for reasons 1.4
(b) and (d).

[1](#). (C) SUMMARY: In his meeting with the Ambassador on September 16, opposition Governor of Carabobo State, Henrique Salas Feo, highlighted the deterioration of Carabobo's economy and problems following the nationalization of Venezuela's main port, Puerto Cabello. He observed that disagreement over the use of aggressive political tactics and controversial legislation was beginning to divide Chavez's ruling party, the United Socialist Party of Venezuela (PSUV). Salas Feo speculated that Chavez was publicly supportive of holding legislative elections in order to solidify his base, but privately wanted to delay elections fearing that PSUV candidates would fare poorly in this increasingly difficult economic environment. The Governor was critical of USG policy towards Honduras, specifically support for deposed President Manuel Zelaya, arguing that the return of Zelaya would jeopardize the security of neighboring countries. END SUMMARY.

500 FACTORIES IN CARABOBO HAVE CLOSED

[1](#)2. (C) Salas Feo said that Carabobo's economy has weakened over the last decade. In 1998, Carabobo had 1430 factories that employed 400,000 people, but since then 500 factories have closed and 150,000 workers have lost their jobs. He added that the recent nationalization of Puerto Cabello had contributed to Carabobo's economic decline. Salas Feo speculated that Puerto Cabello had become a major exit point for drugs leaving Venezuela, noting that neither he nor even the Chavista Mayor had access. Salas Feo also claimed that the nationalization of the highway system had facilitated the drug trade since state (as opposed to national) police no longer monitored their own roadways. (Note: Despite this assertion, Emboffs have continued to observe state police checkpoints. End Note.)

DISAGREEMENTS WITHIN CHAVISTA RANKS

[1](#)3. (C) Salas Feo said that his own party has pursued a policy of non-confrontation with the GBRV, but remarked that

sooner or later "everyone will be touched." He claimed that controversial legislation and increasingly repressive political tactics had divided PSUV party members. In response, Chavez has pursued a double agenda: publicly Chavez uses the prospect of the 2010 legislative elections to unify his base; privately Chavez wants to delay elections because his supporters are likely to lose seats in the National Assembly. Salas Feo said that he has told opposition leaders not to focus on elections because such discussions only strengthen PSUV unity, and to instead focus on good governance.

VENEZUELA'S EFFORTS TO SHAPE THE REGION

¶4. (C) Salas Feo told the Ambassador that he recently attended a conference in Rio de Janeiro with politicians from non-ALBA countries who represented a variety of liberal democratic parties. He said that the participants discussed Venezuela's political influence in other countries, specifically citing reports of GBRV funding of political campaigns in Colombia and Uruguay. On the topic of Colombia, Salas Feo said that President Alvaro Uribe was "a blessing" to Venezuela because he exerted a moderating influence in the region, and that the participants considered the US-Colombia Defense Cooperation Agreement a positive development. He said that Chavez's efforts to cut economic ties with Colombia obviously intend to increase dissatisfaction with Uribe's government.

¶5. (C) At the same time, Salas Feo noted that the GBRV was using the Colombian basing agreement to justify the

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acquisition of Russian armaments. He questioned the wisdom of USG policy in Honduras, specifically support for deposed President Manuel Zelaya. He expressed concern that Chavismo could penetrate neighboring countries if Zelaya returns to office.

COMMENT

¶6. (C) Salas Feo repeated many of the same views that he expressed during a meeting with the Ambassador on August 6. However, Salas Feo went somewhat further in characterizing Chavez's government as a "dictatorship," a view that the Embassy is increasingly hearing from its opposition interlocutors.

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